



IT IS ORDERED as set forth below:

Date: January 9, 2015

*Mary Grace Diehl*

Mary Grace Diehl  
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ROME DIVISION

In re: SHANNON VIDEO, INC.,	:	
a Georgia corporation,	:	Chapter 11
	:	Case 14- 43141-MGD
Debtor.	:	
	:	

**SECOND INTERIM ORDER**  
**AUTHORIZING THE LIMITED USE OF CASH COLLATERAL**

Upon Debtor's Motion For Authority To Use Cash Collateral On An Interim and Ongoing Basis, To Provide Adequate Protection, and For Expedited Hearing On Use of Cash Collateral On An Interim Basis and Adequate Protection (the "**Motion**")<sup>1</sup>;

A. On December 29, 2014 (the "**Petition Date**"), Shannon Video, Inc., a Georgia corporation ("**Debtor**" or "**Shannon**") filed a voluntary

---

<sup>1</sup> Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Motion.

petition (the “**Chapter 11 Case**”) for relief with this Court under Chapter 11 of title 11 of the U.S. Code (the “**Bankruptcy Code**”). Debtor is continuing in possession of its property, and operating and managing its business as debtor in possession pursuant to Bankruptcy Code §§1107 and 1108.

B. This Court has jurisdiction over the Chapter 11 Case and the Motion pursuant to 28 U.S.C. §§157(b) and 1334. Consideration of the Motion constitutes a core proceeding as defined in 28 U.S.C. §157(b)(2).

C. An emergency hearing on the interim use of cash collateral was held on January 6, 2015 at which time Charles T. Craton III (“**Craton**”), Debtor’s CEO, testified about the Debtor’s cash needs for the month of January, 2015. Counsel for Debtor and Janet Gabler Bearoff (“**Bearoff**”) appeared at the hearing.

After considering the evidence presented at the hearing, **IT IS HEREBY ORDERED** that:

1. Debtor is authorized to use Cash Collateral for the limited purpose of payment of the costs and expenses expressly set forth on the January 2015 Expense Budget attached hereto as Exhibit “A” (“**January 2015 Budget**”) and incorporated herein by this reference. Shannon shall not pay any cost or expense authorized in the January 2015 Budget, individually or in the aggregate, in excess of the monthly amounts set forth in the January 2015 Budget, without the

prior written agreement of all parties hereto or further Order of this Court. Craton shall not be entitled to any compensation, either in the form of salary or other payment made by Debtor for his benefit until further Order of this Court or with the consent of Bearoff after Debtor justifies the allocation of common expenses among Debtor and the other locations controlled by Craton.

2. Bearoff and East Coast News Corp. (“**East Coast**”) are hereby granted (effective upon the date of this Order and without the necessity of the execution by Debtor or East Coast of security agreements, financing statements or otherwise), valid and perfected security interests in, and liens upon all personal property of Debtor (collectively, the “**Replacement Lien**”), whether such property was acquired before or after the Petition Date (but only to the extent and priority such property was subject to a valid and perfected security interest in favor of Bearoff or East Coast as of the Petition Date), including, without limitation, all cash contained in any account in the possession or control of Shannon to the same extent, priority, and validity as Bearoff’s and East Coast’s respective security interests and liens in their prepetition collateral. The Replacement Lien granted to Bearoff and East Coast in this Order shall not attach to any avoidance actions. The Replacement Liens granted under this Order shall constitute valid and duly perfected security interests and liens, and Bearoff and East Coast are authorized, but shall not be required, to file financing statements (including any continuations,

amendments and assignments thereof), notices of lien or similar instruments which otherwise may be required under applicable law, or take any action to validate, continue and perfect such security interests and liens. Entry of this Order shall not constitute an acknowledgment or agreement by Bearoff or East Coast that its interest in Debtor's property is adequately protected as a matter of law.

3. Debtor shall provide East Coast and Bearoff's counsel, Mark S. Marani, true and complete copies of the following on a weekly basis after entry of this Order: (a) all purchase orders and invoices reflecting Shannon's purchase of goods and merchandise; (b) all payroll reports (including without limitation pre-W2 reports) prepared by ADP; (c) records showing on a daily basis (including without limitation each customer purchase and/or transaction) the receipts and revenues of Shannon, whether by cash, credit card or otherwise (including without limitation all in-store and on-line sales); (d) statement showing Shannon's purchase of goods and/or services via credit card(s); (e) on-line statements of all transactions involving Shannon's bank account(s) at Bank of North Georgia, a division of Synovus Bank, or any other bank or financial institution where it maintains accounts; (f) weekly computer printouts reflecting all of its inventory on hand at Shannon's location. In addition, Craton shall provide Bearoff's counsel proof that High Five, Debtor's landlord which is controlled by Craton, is timely making monthly mortgage payments to Bank of North Georgia.

4. Upon at least two business days prior written notice to Debtor's counsel, Debtor shall permit Bearoff and East Coast (and their agents and contractors) to enter Shannon's retail store, offices and any storage containers and facilities located at 5561 New Calhoun Highway, Rome, Georgia or elsewhere, for the purpose of inspecting, inventorying and/or appraising the assets of Debtor.

5. Except with respect to the matters expressly governed by this Order, entry of this Order shall be without prejudice to any and all rights, remedies, claims and causes of action which Bearoff or East Coast may have against each other, the Debtor or third parties, and without prejudice to the right, if any, of Bearoff or East Coast to seek relief from the automatic stay in effect pursuant to § 362 of the Bankruptcy Code, to seek a claim under 11 U.S.C. §507(b) or any other relief in the Chapter 11 Case, and the right of the Debtor and any other party in interest to oppose any such relief.

6. The hearing to consider further interim or final use of Cash Collateral pursuant to the Motion will be held on January 28, 2015 at 9:25 a.m. prevailing Eastern time at the United States Courthouse, 600 East First Street, Rome, Georgia 30161. Any response or objection to the Motion shall be filed no later than January 23, 2015.

[END OF DOCUMENT]

EXHIBIT "A"

JANUARY 2015 BUDGET

SHANNON VIDEO, INC.  
JANUARY 2015

## EXPENSE BUDGET

	Jan 15
RENT	3,500.00
COST OF GOODS SOLD	12,500.00
PAYROLL EXPENSES	
WORKERS COMP	150.00
ADP PAYROLL SVC	195.00
EMPL SALARIES	5,000.00 *
PAYROLL TAXES	
FEDERAL UNEMPLOYMENT	17.00
STATE UNEMPLOYMENT	5.00
FICA/MEDICARE/SOCIAL SECURITY	425.00
INSURANCE	
BUILDING INSURANCE	0.00
EMP HEALTH INS	100.00
UTILITIES	
ELECTRIC	1,200.00
GAS (PROPANE HEAT)	400.00
TELEPHONE & CELL	500.00
TRASH & RECYCLING	50.00
WATER	30.00
CREDIT CARD FEES	
AMEXCO MER STMT	20.00
MER CR CARD CHGS	400.00
BANK CHARGES	
MAINTENANCE FEE	30.00
LICENSES AND PERMITS	10.00
ACCOUNTING	
ADVERTISING	
STORE DECORATIONS	100.00
ADVERTISING- INTERNET & PRINT MEDIA	250.00
ADVERTISING-BILLBOARD	500.00
AUTO	
SERVICE	150.00
FUEL	100.00
COMPUTER & TECHNOLOGY	
POS SYSTEM	129.00
FREIGHT & POSTAGE	25.00
INTERNET SITE	50.00
LAWN & LOT CARE	100.00
PEST CONTROL	0.00
REPAIRS AND MAINTENANCE	400.00
SECURITY SYSTEMS	0.00
OFFICE SUPPLIES	200.00
TRADE SHOWS	1,500.00
MISC EXPENSES	200.00
<b>Total Expense</b>	<b>28,236.00</b>

\* Approved Budget does not include any payment to Charles Craton.

This Order prepared and  
presented by:

SMITH CONERLY LLP

By: /s/ J. Nevin Smith  
J. Nevin Smith  
Georgia Bar No. 661110

Attorneys for Debtor

402 Newnan Street  
Carrollton, Georgia 30117  
(770) 834-1160



Approved as to Form and Content by:

COHEN, POLLOCK, MERLIN & SMALL, P.C.

By: /s/ Mark S. Marani (with express permission)

Mark S. Marani

Georgia Bar No. 469960

3350 Riverwood Parkway, Suite 1600, Atlanta, GA 30339

[mmarani@cpmas.com](mailto:mmarani@cpmas.com)

Attorneys for Bearoff

EAST COAST NEWS CORP.

INTERNATIONAL VIDEO DISTRIBUTORS, LLC

By: /s/ Mary Anne Ivliano (with express permission)

Mary Anne Ivliano

59 Lake Drive

Hightstown, NJ 08520

[maryanne@ivdl.com](mailto:maryanne@ivdl.com)

Representative of East Coast News Corp.

NO OPPOSITION:

OFFICE OF THE UNITED STATES TRUSTEE

By: /s/ Martin P. Ochs (with express permission)

Martin P. Ochs

Georgia Bar No. 091608

Office of the

United States Trustee

Richard B. Russell Building

75 Spring Street, S.W., Room 362

Atlanta, Georgia 30303

[martin.p.ochs@usdoj.gov](mailto:martin.p.ochs@usdoj.gov)

DISTRIBUTION LIST

Martin P. Ochs  
United States Trustee  
Richard B. Russell Building  
75 Spring Street, S.W., Room 362  
Atlanta, Georgia 30303

Kauffman Miller & Forman  
8215 Roswell Rd  
Building 800  
Atlanta, GA 30350-6445

Steven E. Ostrow  
White and Williams LLP  
1650 Market Street  
One Liberty Place, Suite 1800  
Philadelphia, PA 19103-7395

East Coast News Corp  
59 Lake Drive  
Hightstown, NJ 08520

Mark S. Marani  
Cohen, Pollock, Merlin & Small, P.C.  
3350 Riverwood Parkway  
Suite 1600  
Atlanta, GA 30339

J. Nevin Smith  
Smith Conerly LLP  
402 Newnan Street  
Carrollton, GA 30117

Nulook Capital, LLC  
c/o Michael S. Colombo  
StreetWide Asset Recovery Group, Inc.  
100 Village Court  
Suite 201  
Hazlet, NJ 07730